

CITY OF KINGMAN
WORK SESSION MEETING OF THE COMMON COUNCIL
Council Chambers
310 N. 4th Street

9:00 A.M.

Minutes

Wednesday, January 28, 2009

Members:	Officers:	Visitors Signing In:
J. Salem, Mayor	J. Kramer, City Manager	See attached list
J. Watson, Vice Mayor	C. Cooper, City Attorney	
K. Deering (Excused)	D. Francis, City Clerk	
R. Gordon	D. King, Deputy City Clerk	
R. Lyons	J. Clos, Information Systems Director	
K. Walker	R. DeVries, Police Chief	
C. Young	L. Dickens, Finance Administrator	
	D. Fruhwirth, Parks Director	
	G. Henry, City Engineer	
	G. Jeppson, Development Services Director	
	C. Loyd, Financial Services Director	
	C. Osterman, Fire Chief	
	R. Owen, Public Works Director	
	D. Richards, Budget Analyst	
	J. Walker, Human Resource/Risk Manager	
	T. Ware, Finance Administrator	

WORK SESSION MEETING OF THE COMMON COUNCIL

ALL WORK-SESSION ITEMS LISTED ARE FOR DISCUSSION ONLY. NO ACTION CAN OR WILL BE TAKEN. The primary purpose of work session meetings is to provide the City Council with the opportunity for in-depth discussion and study of specific subjects. Public comment is not provided for on the Agenda and may be made only as approved by consensus of the Council. In appropriate circumstances, a brief presentation may be permitted by a member of the public or another interested party on an Agenda item if invited by the Mayor or City Manager to do so. The Mayor may limit or end the time for such presentations.

Mayor Salem called the Work Session meeting to order at 9:00 a.m. and roll call was taken. All Council members were present with the exception of Councilmember Deering, who was excused. The Pledge of Allegiance was said in unison.

Mayor Salem stated that this work session meeting is being held to conduct an overview of proposed capital improvement projects for fiscal year 2010 – 2014. Mayor Salem then turned the meeting over to City Manager Jack Kramer to give an overview of key projects in the Capital Improvements Plan. After the overview, discussion will be opened and any questions from the Council will be addressed by staff.

Mr. Kramer welcomed everyone to the meeting and asked them to turn to page 17 in the Capital Improvements Plan book which is the summary of projects by project component. Mr. Kramer suggested starting the session by going through the summary of projects that are listed and if there are any questions turning to the individual project page for more detail.

Mr. Kramer asked Mayor Salem if he had any comments before the review of projects began. Mayor Salem replied that there are two projects that are very important to the City of Kingman. One of the projects is the relocation of Fire Station #4 and he stated that he thinks that as a Council it is very important to work on a funding mechanism and work with Fire Chief Charles Osterman and Financial Services Director Coral Loyd to figure out how to relocate and fund Fire Station #4 to provide the best service to the community and to the East Bench. The second project Mayor Salem feels is very important is the construction of the Rattlesnake Wash Traffic Interchange. He went on to state that he thinks it is imperative that the Council figure out a way to fund the City's share of the Rattlesnake Wash Traffic Interchange. This project has been slated and in the design concept phase for over 20 years. It is now on the Arizona Department of Transportation's (ADOT) 5 year plan. By this time next year ADOT will have committed \$25 million to the bank account that will fund Rattlesnake Wash Traffic Interchange and as a City we need to put together a financing mechanism to pay for the City's \$11.8 million share of this project. Mayor Salem went on to say that this project would be very beneficial for the City and the public at large, and will put a large number of people to work when the interchange is complete. It is Mayor Salem's opinion that the City should go to bond or find some other mechanism to fund both of these projects. He went on to say that he is still unable to vote on the Rattlesnake Wash project but is able to interject his opinions. Mayor Salem asked for opinions or comments from the Council.

Councilmember Gordon stated that she feels it is important not to forget Kingman Crossing. She went on to say that she realizes the City is in the early stages of discussion with the developers but at some point there may be a cost to the City. Councilmember Gordon also stated that both traffic interchange projects are of equal importance.

Councilmember Young stated that she agrees that both of those projects are important, but the City also needs to concentrate on public safety issues due to growth we have had and the continued growth we will be experiencing. She went on to say the 911 Communications Center and radio system is her priority.

Vice Mayor Watson stated that she agreed with Council members Gordon and Young that Kingman Crossing is important but Rattlesnake Wash has been in the works for 25 to 30 years and the City has signed a commitment with ADOT. She went on to say that ADOT has not formally asked the City what our financing plan is but board members have asked local ADOT employees what the City is doing to move forward with this project. Since the project is on the 5-year plan the City needs to talk about how we can fund this project.

Mayor Salem stated that the projects the City submitted for the federally based stimulus package will probably not be funded. However, ADOT will be receiving \$900 million dollars of this funding for projects statewide, with \$90 million for the Kingman region. According to a meeting with ADOT, the \$90 million will be used to fund transportation projects that are already designed and shovel ready. The City may experience some trickle down funding and it may free up some funding for our local projects at the state level. Mayor Salem went on to say that it is his opinion that whatever funding the City receives will be beneficial and will probably exceed our expectations. Mayor Salem stated that he fears that the state will utilize the \$25 million slated for the Rattlesnake Wash project for something else making it imperative that the City finds their portion of the funding as soon as possible. Councilmember Gordon asked if the money ADOT has committed to the Rattlesnake Wash project is federal money. Vice Mayor Watson replied that it is matching funds, 93% Federal and 7% state. Councilmember Gordon went on to ask if the state could use the federal money for another project. Vice Mayor Watson and Mr. Kramer replied no, but the federal government could divert the money. Rob Owen, Public Works Director, stated that federal funds are based on projected gas taxes that are returned to the state.

Mayor Salem stated that he asked the other Council members to direct Staff to explore funding mechanisms and sources for both of the traffic interchange projects. Councilmember Gordon started to make a motion but was interrupted by City Attorney Carl Cooper and was told that no decisions could be made at the Work Session. Councilmember Gordon asked that this topic be put on the agenda for a future Council meeting. She went on to say that it is very important to remember that there are property owners that the City needs to get firm commitments from regarding what they think their share of this project should be. Their property will greatly increase in value due to this project and they should share in the cost. Vice Mayor Watson stated that she thinks the City needs the commitments in writing even if the property owners are given different options with details to be worked out later.

Vice Mayor Watson stated that she would like to have a meeting to examine all the potential funding mechanisms and options to cover the Capital Improvements projects. Ms. Loyd said that options are limited, specifically with the Rattlesnake Wash Traffic Interchange, until the annexation process takes place. Vice Mayor Watson replied that she was referring to a general meeting. She went on to ask when the annexation process would be complete. Development Services Director Gary Jeppson replied that a Public Hearing is scheduled for February 17th and petitions could be distributed after that date. Councilmember Gordon asked if the petitions could be available after the meeting. Mr. Jeppson replied that the petitions have been prepared and could be made available at that time. Mr. Kramer asked what the time frame would be to complete the project. Mr. Jeppson replied that the time frame depends upon the property owners and could take up to 6 months. Mr. Kramer said that there 5 parties involved in the Rattlesnake Wash project and a couple of meetings have been held to discuss zoning issues. The property owners decided to wait until after the annexation is complete to address those issues. Mayor Salem recommends that the City move forward on this as soon as possible due to rumors regarding the fact that several of the parties involved may have been counting on funds from the economic stimulus package which will probably not become available. Vice Mayor Watson agreed. Mr. Kramer said that staff would set up a meeting with the property owners after the February 13th deadline for the stimulus package and try to ensure that all 5 property owners attend.

Mayor Salem asked Mr. Kramer to update the attendees on what happened at the pre-bid meeting for the new Wastewater Treatment Plant. Mr. Kramer asked City Engineer Greg Henry to give the update. Mr. Henry said that there were 68 people present at the meeting, of those, 25 signed in as general contractors. He went on to say that after the meeting there was a site visit which was also well attended. The bid opening is scheduled for February 10th with the bid being awarded on March 2nd.

Mayor Salem asked Chief Osterman to explain options regarding the relocation of Fire Station #4 and the 911 Communications Center. Chief Osterman said the need to move Fire Station #2 should also be considered. It is the smallest station, it is crowded and busy, there is no space for the shift supervisor in the center of town, and it is located on a congested corner. Moving Station #2 closer to the Hualapai Mountain Overpass would enable Station #4 to be moved further east to better cover the east side. Originally, the fire department purchased an acre of land in Rancho Santa Fe with the intention of adding an additional station; however, Chief Osterman stated that he believes the City would now be better served by moving Station #4. However, it would also be necessary to move Station #2 so that part of Station #4's current area could be served by Station #2. Mayor Salem asked if a site near Public Works would be feasible for an additional station. Chief Osterman replied yes, an additional station would be feasible for that part of town as it continues to grow, but would not be the best option for serving north of the freeway and the East Bench area. To best serve that area, a station would need to be located north of the freeway near the East Bench area around Prospector Avenue and Airway Avenue, which would be a central location for the area. Councilmember Gordon suggested looking for property in that area and asked Chief Osterman how much property would be needed. He replied not less than ½ acre and that 1 acre would be better due to turning radiuses, parking, and size of the apparatus. Councilmember Gordon also asked if the property the fire department has already purchased should be sold. Chief Osterman replied that was up to Council.

Chief Osterman stated that if the current Station #4 was converted to a 911 Communications Center it would be a stop-gap measure and would be outgrown in 5 to 10 years. The Council will have to decide if it is worthwhile to convert the current building and still have to build a new one in 5 to 10 years. Vice Mayor Watson is concerned about relocating Station #2 on the property that was purchased at Fairgrounds Boulevard and Andy Devine Avenue. Chief Osterman said that the new location would be a good one for Station #2 which is a battalion station. That means the shift supervisor could be located at a central point for response to large incidents. In addition, the ladder truck and rescue truck need to be located at a central point in the City for a more favorable insurance rating and best response time. Chief Osterman went on to say that the proposed location is the center of the City as far as getting the most credit for the current population and best response times. Eventually, as the community grows, more stations will be built further north and possibly east. Mayor Salem said one of the challenges with this will be staffing the facility. Chief Osterman agreed that one of the largest costs would be staffing; approximately \$500,000 would be needed to staff the new station.

Mayor Salem asked Chief Osterman to comment about take home vehicles as they apply to first responders. The Chief replied that some staff do not take their vehicles home. Some staff, that may be first responders and live in the community, do take their vehicles home. Other staff members that live 10 miles or more out of the City limits do not take their vehicles home.

Vice Mayor Watson stated that the cost to operate the police and fire department is more than is currently brought in by tax dollars. She went on to say that although this is not a good time, the City needs to look at adding a property tax that is dedicated to Public Safety costs. Vice Mayor Watson went on to say that no one wants additional taxes but for the long term this needs to be considered. She went on to suggest that Ms. Loyd complete a study to show the lowest rate needed to cover some of these costs. These services are for the City and a property tax is the most reasonable way for City residents to help pay for them. Councilmember Lyons asked if a property tax dedicated to a certain expense would be considered a secondary property tax. Ms. Loyd replied that a primary property tax can be dedicated for a certain expense. She went on to say if \$1 was levied per \$100,000, \$3 million per year would be collected. Councilmember Walker stated that he feels that the only way a property tax would be passed is if it was dedicated to Public Safety. Mayor Salem agreed and stated that in his opinion whenever a tax is levied it should be earmarked for a particular purpose. Mr. Kramer asked if the property tax issue could be placed on the ballot with the stipulations. Ms. Loyd replied that it could.

Mr. Kramer said that if the state reduces the amount of state shared revenue the City may be forced to increase sales tax. Mayor Salem asked what the dollar amount of this year's state shared revenue is. Ms. Loyd replied \$6 million. She went on to say that the City would receive \$12 million in local sales tax revenues this year; however, the police and fire department budgets are \$14.8 million dollars, and state shared revenue is used to make up the difference. The balance of the state shared revenue is utilized for all other expenses along with fees paid to various City departments. State shared revenues comprise approximately 30% of the general fund. The enterprise funds; Water, Wastewater, and Sanitation, are not affected by state share revenue or sales tax.

Mr. Kramer said the train depot project is moving forward with asbestos removal. Councilmember Gordon asked when construction would begin. Mr. Owen replied that construction would begin this spring.

Mr. Owen reported that the Economic and Tourism Development Commission (ETDC) grant for Powerhouse improvements was not funded. He went on to say that the topic will go back before the ETDC to see if smaller parts of the project could be completed with ETDC funds. Ms. Loyd said ETDC has been doing very well in the past few years at retaining portions of their annual funds to save for pay as you go projects. They have saved \$300,000 to date.

Vice Mayor Watson asked if the unfunded projects would be delayed. Mr. Kramer replied that yes they would be pushed back due to the economy and may continue to be delayed further into the future.

Mr. Kramer said that the Airfield Railroad Crossing would be delayed. Vice Mayor Watson asked if that was still a priority project. Mr. Kramer replied that it was under the previous Council but should be discussed by the present Council and that it could be put on the 20-year plan instead of the 5-year plan. Mayor Salem asked if this would be an alternate to the Louise crossing that was closed. Mr. Kramer replied yes; Airfield was chosen by the previous Council to replace the Louise Railroad Crossing. Mayor Salem said that he has had numerous negative comments regarding the closure of the Louise Railroad Crossing. Councilmember Walker asked if this was a safety issue. Councilmember Walker went on to say that the previous mayor, Mayor Byram had told him that the Arizona Corporation Commission was willing to put pressure on the railroad to replace this crossing. Mr. Kramer said that the Arizona Corporation Commission does not have funds for this project. Mayor Salem said that he had heard a rumor that if it could be proven to be a safety issue the railroad would contribute funds to the project, per state statute. Mr. Cooper replied that the way he read the statute he believed it applied to safety devices for at-grade crossings. Chief Osterman stated that the fire department always considered the Louise Crossing to be closed when they were planning response times. Police Chief Robert DeVries stated that instead of a railroad crossing they would prefer to have the funds to split the beat on the east side to have more officers in the area. City Engineer Greg Henry stated that the reason the design

phase was listed for 2010 is that dealing with the railroad is a slow process; the Airway Underpass Project was first discussed 10 years before completion. Due to lack of funding this project will be delayed to 2011.

Councilmember Gordon stated that Airway Avenue between Stockton Hill Road and Western Avenue should be addressed as soon as possible due to the new CVS Pharmacy that will be built in the area. She went on to say that traffic is already an issue with the current businesses that are there and will only get worse when the CVS Pharmacy is built. Councilmember Gordon and Vice Mayor Watson asked if Impact Fees could be used for this project, as it is currently unfunded. Ms. Loyd replied yes; however, at the current time the City has collected \$1.5 million, of which \$500,000 has been dedicated to right-of-way purchases for the Rattlesnake Wash Traffic Interchange and the ADOT agreement. She went on to say that the City is trying to dedicate all Transportation Impact Fees to the Rattlesnake Wash project as it has the highest priority. Ms. Loyd also said that from a finance standpoint the Airway Avenue project would be a good candidate for an improvement district. Mr. Henry said that there may be issues with an improvement district because some of the current businesses have already made improvements or paid for improvements and may have a concern with being assessed again. Mr. Henry went on to say that if there are any investment funds available it would be a good time to acquire right-of-way. Mr. Jeppson stated that Walgreen's is the biggest obstacle to the project because 14 feet of their property would be needed, which would affect their drive through window. Mr. Henry said that there has been some discussion with Walgreen's already and they are willing to cooperate if the City pays to do some of the improvements. Councilmember Gordon stated that she feels it is irresponsible of the City not to address this issue and the Transportation Impact Fees could be used for this project if an alternative funding source, such as a bond, could be found for Rattlesnake Wash. She went on to say that perhaps now is the time to put a bond before the voters to see if they want to pay for the Rattlesnake Wash project. Vice Mayor Watson said that using a bond to finance the Rattlesnake Wash project would only affect residents within the city limits and the majority of people using Rattlesnake Wash would be from outside the city limits. She went on to say that she feels that projects such as the Airway Avenue improvements, which will be used by city residents, would be a better candidate for bonding. Councilmember Lyons agreed.

Mr. Kramer said that a development agreement is still being negotiated for the Kingman Crossing Traffic Interchange. Mr. Kramer went on to say that a meeting is planned with Andy McGuire, Vestar Development Company, and Vanderbilt Farms, LLC, in the second week of February.

Ms. Loyd asked if the City would be going ahead with the Hualapai Mountain Road traffic signal. She went on to say that Impact Fees have been dedicated for the project. Mr. Henry replied that the project is dependent on development. Mayor Salem said that there appears to have been a large number of traffic incidents in the area of Mission Bank. Chief DeVries confirmed that was correct and stated that the traffic volume has definitely increased with the new businesses in the area. Mr. Kramer said there are three possible sites for the signal with the most likely site being Granite Bluffs. Mr. Henry said a traffic signal warrant study was done with the exact location of the signal dependent upon development. Mr. Kramer said that this project is on hold until the area develops further.

Councilmember Young stated that she is very concerned with the eastside improvements at Airway Avenue and Eastern Street because it is a very dangerous area when it rains. Mr. Kramer said this is currently unfunded and the only option for funding is a bond. Vice Mayor Watson stated that this issue seems to be more of a safety concern than the traffic signal on Hualapai Mountain Road.

Parks and Recreation Director Darel Fruhwirth said that the Centennial Pool filter replacement will cost \$50,000.00 and if the filters are not replaced the pool could be out of commission for the summer and damage could be done to other components. Councilmember Gordon asked if the filters could be replaced now. Mr. Fruhwirth replied that it was too late in the season and will have to wait until next year. Mr. Fruhwirth went on to say that the other project he is concerned with is the replacement of lights at the Centennial Park ball fields. This project has been put off numerous times. Currently, the lights on the second field are being replaced. The Kingman Softball Association is raising money for the installation of the lights; the cost is \$27,000 and they will have enough to do another field at the end of the season. Councilmember Young pointed out that the tournaments bring a lot of money into the City.

Mr. Owen said that the 3 Eastern Pathway projects will be grant funded aside from \$25,000 in 2010 for environmental clearances. The Railroad Pathway Project is grant funded for the acquisition of right-of-way; however, Mr. Owen said that he was not sure the railroad would give up right-of-way due to the fact that they are now considering adding a third rail in some parts of the country.

Mr. Fruhwirth added that the Fripps Ranch Park project was discussed at a Council meeting a couple of months ago. He went on to say that it was discussed at last month's Park and Recreation Commission meeting and they were of the opinion that it would be sending the wrong message to the public to spend the money to create a new park, so their recommendation was to landscape the area with rock and if the community wanted more amenities at a later date they could raise the money for them. Councilmember Gordon asked if there was money put aside by the developer for this project. Mr. Fruhwirth replied that the money put aside was for curbs, gutters, and sidewalks, and has already been spent.

Chief DeVries stated that establishing a cost estimate for the proposed 911 Communication Center was difficult. He went on to say that Larry Smith from Durant and Associates provided them with a complimentary space needs analysis. That analysis, as well as a site visit to Lake Havasu City, helped them reach a cost estimate for a facility that will continue to serve well into the future. The property that the fire department purchased on Louise may work for the facility.

Chief Osterman said that the Fire Department tries to replace their defibrillators every 5 years; however, the warranty can be extended for another year.

Mr. Kramer said that all of the water department projects are on the east side and were started years ago to provide better service and fire protection to that area. Mr. Owen said the only other priority is the storage tank restoration project. The first tank to be restored would be the Beale Springs tank which is in poor shape. Mr. Owen said that they would like to restore a tank every year on a rotating basis. The funds for these projects come from Colorado River monies and user fees. Vice Mayor Watson asked when Colorado River monies could be used. Mr. Kramer replied that they could only be used for new water sources. Mayor Salem clarified that the funds couldn't be used for transmission or storage.

Mr. Kramer said that the wastewater department projects are based on user fees. Vice Mayor Watson asked what the Sewer Expansion Fund is. Mr. Kramer replied that it is a part of the monthly charge used to pay for expansion and the terminology should be changed to Investment Fee Fund.

Mayor Salem asked what the life expectancy of a sanitation truck is. Mr. Kramer said 5 to 6 years on average; Mr. Owen said they are maintenance intensive. Mayor Salem asked if the commercial trucks last longer than the residential trucks. Mr. Kramer replied that they do not, in part because commercial accounts are picked up 6 days a week. Mayor Salem asked how many trucks are currently in the fleet. Mr. Kramer said that there are 13 or 14 at this time.

Mr. Kramer said that flood control projects are funded with flood control money received from Mohave County. Mr. Henry said that the flood control fund is a dedicated fund that we receive every year from the county. Vice Mayor Watson asked if any flood Impact Fee money has been used. Mr. Henry replied that he does not believe so. Vice Mayor Watson asked if that money could be used for the Eastern Street/Airway Avenue project. Mr. Henry said that building the new wastewater treatment plant includes drainage issues and even the Rattlesnake Wash project will have drainage issues that could be paid for with these funds. Councilmember Gordon asked why drainage issues on Eastern Street were not addressed when it was designed. Mr. Kramer replied that Eastern Street was in the county when it was built.

Mr. Kramer said that staff will separate out the 7 top priorities discussed at this meeting and identify possible funding sources for them. Councilmember Gordon asked if another meeting could be held to discuss that information. Mr. Kramer replied yes, at the budget session there will be an overview and these items can be discussed further.

Mr. Henry stated that the City applied for and will receive grant funding for an updated transportation study that will help establish priorities within the currently unfunded street improvement projects. Mr. Owen said the funds will be available sometime this summer. It takes approximately a year to complete the study.

Council members Gordon and Young thanked staff for their work in putting together the Capital Improvements Plan information. Councilmember Lyons stated that a funding source that was not mentioned is the City owned 168 acres of prime real estate that could be sold to fund the two proposed traffic interchanges. That property could be a major source of funds. Mayor Salem said that in February or March this will be discussed at a Council meeting. Vice Mayor Watson also thanked the staff for compiling the information for this meeting.

She went on to say that it is very difficult when the funds are not available to do the things that the Council would like to see done for the community. Mr. Kramer thanked the department heads for all of their hard work on the budget and trying to find funding solutions. He went on to say that if the Council needs further clarification on any of the information to let him know.

Vice Mayor Watson asked if this was the last year the City would be paying for Airway Avenue from Stockton Hill Road to Highway 66. Ms. Loyd replied yes. Mayor Salem said there was a very nice article in the Kingman Daily Miner talking about what a good job City employees are doing in saving the public money.

ADJOURNMENT at 10:48 a.m.

Deborah Francis
City Clerk

John Salem, Mayor

STATE OF ARIZONA)
COUNTY OF MOHAVE)ss:
CITY OF KINGMAN)

CERTIFICATE OF COUNCIL MINUTES

I, Donna King, Deputy City Clerk of the City of Kingman, Arizona, hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Session of the Common Council of the City of Kingman held on January 28, 2009

Dated this 2nd Day of February, 2009

Donna King, Deputy City Clerk